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ABSTRACT

This report provides an overview of the Veterans Administration (VA) and how it pays for assistive devices for veterans. It explains the VA payment structure and decision-making responsibilities concerning assistive equipment. Following an introductory section, the report provides background on the VA system, summarizing its legislative origins, organizational structure, benefits, and eligibility guidelines. The report then describes the VA's payment process for equipment, identifying the various levels of decision making and control. This section outlines the phases in the payment process, including gaining access to the area's VA Medical Center, having the veteran's needs assessed, and procurement and delivery of the prosthetic appliances. The report also discusses some of the policy-setting mechanisms whereby the VA determines the types of equipment it covers and how it ensures that it remains up to date. The report stresses that procurement for assistive devices can vary significantly depending upon the policies and resources of the VA Medical Center in a particular area. (JDD)

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PAYMENT FOR ASSISTIVE DEVICES BY THE VETERANS ADMINISTRATION

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January, 1989

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Preface

The Electronic Industries Foundation Rehabilitation Engineering Center (EIF/REC) and Paralyzed Veterans of America (PVA) are pleased to present this overview of the Veterans Administration and how it pays for assistive devices for veterans.

The paper is intended as a resource tool for veterans, family members, rehabilitation professionals, equipment suppliers, and others who deal with or work within the VA system. It provides a foundation for understanding, and complements other informational and advocacy resources. A major characteristic of the VA system, however, is that procurement for assistive devices can vary significantly depending upon the policies and resources of the VA Medical Center in one's area. Therefore, readers are encouraged to supplement this paper by contacting local service offices of any of the various national veterans service organizations (VSOs) to obtain information. Local VSO offices have personnel who serve as ombudsmen for veterans in one's area. Listings of such offices can be obtained by contacting one's local VA office, or by contacting any VSO at the national level.

The authors wish to acknowledge the contributions of Frederick Downs, Jr. and John Clements of the Central Office of the VA Prosthetic and Sensory Aids Service, and Victor McCoy and Vince Hlinovsky of Paralyzed Veterans of America. Their feedback and insights, on several drafts of the paper, add to its value as a resource guide.

I. Introduction

The Veterans Administration (VA) is one of the largest purchasers of assistive devices for persons with disabilities. To get a sense of the variety of devices covered and the level of investment in Fiscal Year 1986 the VA spent $1,243,038 on aids for blind persons; $3,348,745 on eyeglasses; $3,706,735 on orthopedic braces; $7,606,938 on hearing aids; $13,970,305 on wheelchairs; and $16,926,169 on artificial limbs.[1] The VA also pays for automobile/van adaptive aids; patient lifts, hospital beds, and other medical equipment; and assists veterans in the acquisition of specially adapted housing. There is even a Clothing Allowance benefit to replace veterans' clothing worn or torn when using assistive devices.

The VA also has one of the most systematized structures in place to pay for its large volume of equipment purchases. It commits considerable resources to education and training of clinical personnel in the capabilities of assistive devices. It supports an extensive, nationwide staff of equipment procurement specialists. It invests in research and development, evaluation, promulgation of standards, and development of procurement guidelines for assistive devices. The overarching goal of this expansive structure is to ensure cost-effective procurement of equipment that is both needed by and safe for eligible veterans.

By its complexity, the VA tends to appear as a difficult system to understand and access effectively for many veterans, their families, service providers, product vendors, and others. The purpose of this paper is to explain the VA payment structure and decisionmaking responsibilities in more detail so that those who need to deal with the VA system for assistive equipment can understand it better. It is the authors' intention that greater understanding, in turn, will lead to better access to the system, with the ultimate goal being procurement of appropriate equipment in a timely manner.

This paper is organized as follows. Section II provides background on the VA system, summarizing its legislative origins, organizational structure, benefits, and eligibility guidelines. Section III describes the VA's payment process for equipment, identifying the various levels of decisionmaking and control. Section IV discusses some of the policy-setting mechanisms whereby the VA decides the types of equipment it covers, and how it ensures that it remains up-to-date. The paper concludes with a brief summary section.

II. Background of the VA System

The U.S. commitment to providing special benefits to its military veterans can be traced back as early as 1776 when the Continental Congress began providing pensions to soldiers who were disabled during the Revolutionary War. The federal role has evolved over time, as have the benefits offered. The following, taken from the VA's 1986 Annual Report,[2] summarizes some of the major developments in public policy related to veterans:

- In 1817-1818 Congress expanded eligibility for a pension benefit to all Revolutionary War veterans in need.

- In 1811 the U.S. Naval Home in Philadelphia was founded. It was the first federal facility where domiciliary care was provided, along with incidental medical care. Additional domiciliary homes were established subsequently throughout the country to provide housing and care to veterans of other military conflicts of the 19th and early 20th centuries.

- In 1917 Congress again expanded the nation's responsibilities to include insurance for servicemen and veterans, vocational rehabilitation for the disabled, and other benefits.

- In 1930 the Veterans Administration was established, consolidating authority of the various federal agencies previously responsible for administration of veterans benefit programs.

- With enactment of the World War II GI Bill in 1944, Congress initiated the policy of providing educational assistance benefits to veterans.

These milestones reflect the historical trend to expand federal responsibilities for veterans. They have contributed to a system that today is the largest single medical care system in the country, comprised of 172 medical centers, 229 outpatient clinics, and 117 nursing home units.[3] In addition to medical and domiciliary care, benefits to today's veterans include pensions for wartime veterans with limited income, disability compensation, education and training assistance, vocational rehabilitation, employment assistance, specially adapted homes and other disability benefits, GI loans, insurance, automobile adaptive equipment, death benefits, and other special arrangements.[4] Figure 1 presents the organizational structure of the Veterans Administration designed to handle these broad administrative responsibilities.

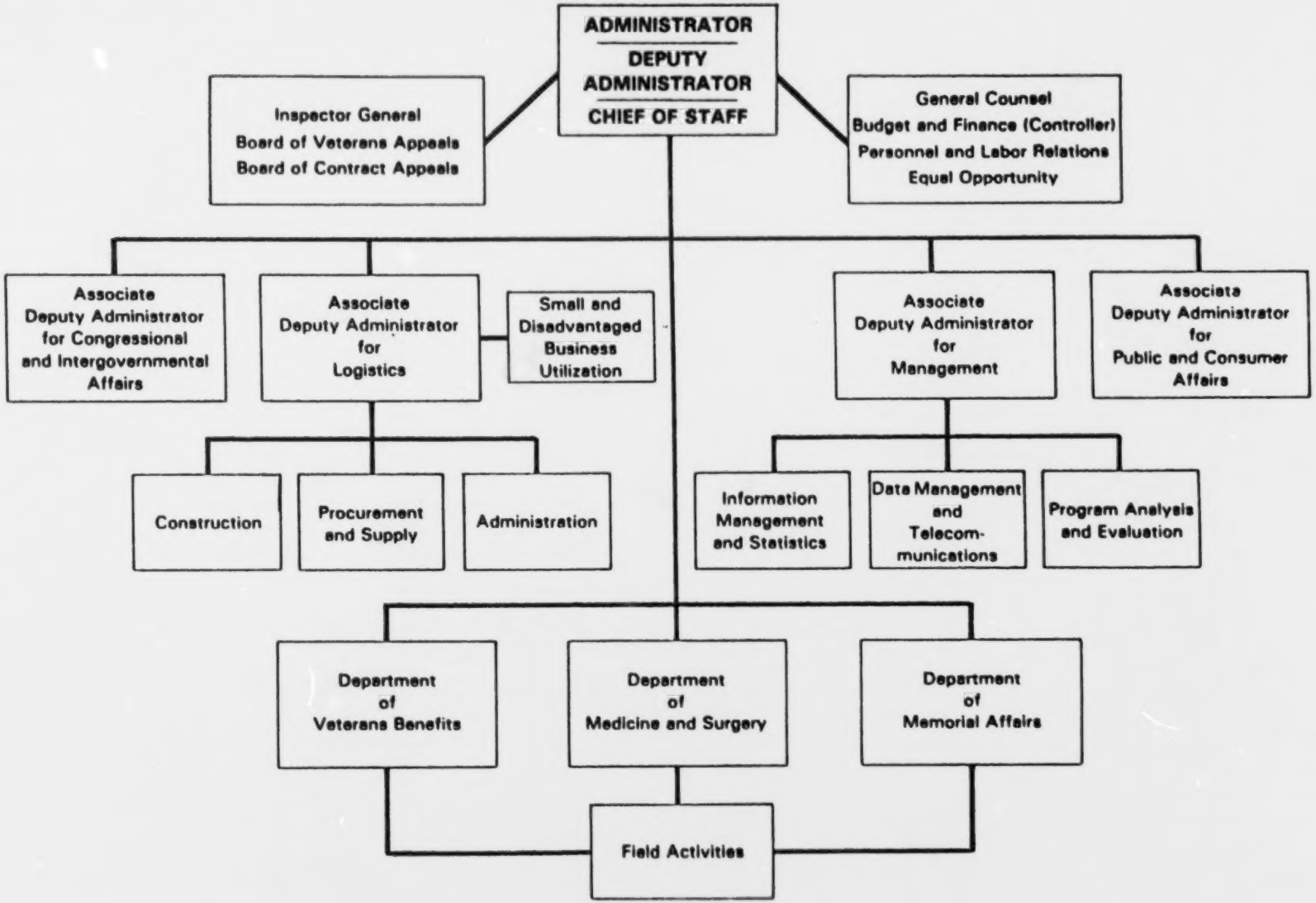
Eligibility Guidelines

Not all veterans are equally eligible for all VA benefits. Eligibility is a complex issue, but one that is necessary to understand in order to comprehend which benefits are available to whom. Veterans, dependents, and others are encouraged to send for a copy of Federal Benefits for Veterans and Dependents, a manual that is updated annually by the VA which outlines the range of available benefits and their particular eligibility requirements.[5]

Another excellent set of resources are service officers from many of the national veterans service organizations (VSOs). Many of these organizations, such as the Paralyzed Veterans of America (PVA), Disabled American Veterans

FIGURE 1

ORGANIZATION OF THE VETERANS ADMINISTRATION



SOURCE: Administration of Veterans Affairs. Annual Report 1986. (Veterans Administration: Washington, DC, June 1987), p. xiii

(DAV), Veterans of Foreign Wars (VFW), American Legion, and Blinded Veterans Association (BVA) are mandated by charter to provide free assistance to veterans seeking VA benefits. The VSOs maintain networks of state and local service offices, and employ service officers who act as ombudsmen, representing veterans in their claims for benefits within the VA system. Veterans and their families are encouraged to contact their local service office of any VSO, either through the local telephone directory, or by asking the local VA office for a listing.

As with benefits, eligibility has expanded gradually over time, offering some coverage not only to wartime veterans, or veterans with service-connected disabilities, but, in some cases, to all veterans and even their dependents. In 1986, however, federal budgetary constraints led to a significant reversal in that eligibility trend. Congress enacted Public Law (P.L.) 99-272 which "revised eligibility categories, established a 'means test,' provided for copayments by veterans in certain categories, and authorized recovery from private insurance for treatment rendered veterans in VA facilities."[6] A 1987 report from Paralyzed Veterans of America entitled "Veteran's Health Care: Actions and Interactions" provides a useful summary of the eligibility implications of P.L. 99-272. Figure 2, taken from that report, presents an "Eligibility Determination Decision Tree."

P.L. 99-272 is significant not only because of its clear prioritization of eligibility, but also because it may represent a new trend toward tighter eligibility controls, and perhaps similar constrictions in veterans benefits in the future. That trend remains to be seen. However, it would be consistent with similar trends in other areas where the federal government is consolidating its responsibilities due to fiscal constraints.

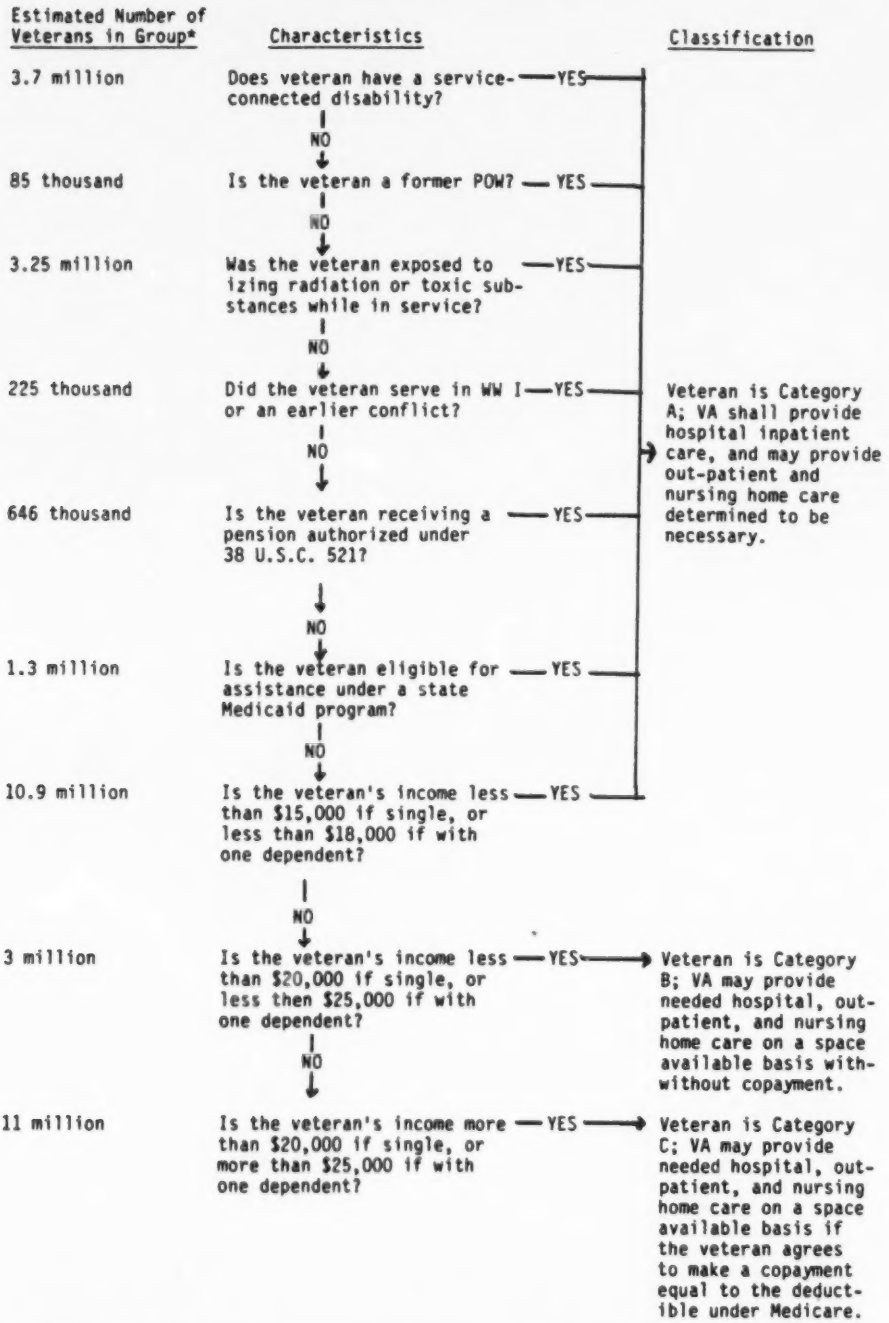
III. VA Payment Process

In order to understand how the VA pays for assistive devices (or payment from any other third party payer, for that matter), it is essential that one understand who the payment decisionmakers are and the environment in which they work. Those individuals represent the organization they work for, and their decisions are guided by its organizational structure and policies.

The VA has a well designed structure in place for purchasing assistive devices. At the heart of the system are the VA's 172 Medical Centers (VAMCs) located around the country. The VAMCs are responsible for meeting the health care and rehabilitation needs of veterans in their catchment areas, through delivery of inpatient and outpatient services and provision of assistive devices. The hierarchy described in Figure 2 is used to determine eligibility and entitlement to VAMC services. Each Center has its own budget and is fairly autonomous, within general national guidelines, for determining how to respond to the needs of its service area.

FIGURE 2

ELIGIBILITY DETERMINATION DECISION TREE


Estimated Number of Veterans in Group*
Characteristics
Classification
3.7 million
Does veteran have a service-connected disability?
YES
NO
85 thousand
Is the veteran a former POW?
YES
NO
3.25 million
Was the veteran exposed to ionizing radiation or toxic substances while in service?
YES
NO
225 thousand
Did the veteran serve in WW I or an earlier conflict?
YES
NO
646 thousand
Is the veteran receiving a pension authorized under 38 U.S.C. 521?
YES
NO
1.3 million
Is the veteran eligible for assistance under a state Medicaid program?
YES
NO
10.9 million
Is the veteran's income less than $15,000 if single, or less than $18,000 if with one dependent?
YES
Veteran is Category A; VA shall provide hospital inpatient care, and may provide out-patient and nursing home care determined to be necessary.
NO
3 million
Is the veteran's income less than $20,000 if single, or less then $25,000 if with one dependent?
YES
Veteran is Category B; VA may provide needed hospital, out-patient, and nursing home care on a space available basis with-without copayment.
NO
11 million
Is the veteran's income more than $20,000 if single, or more than $25,000 if with one dependent?
YES
Veteran is Category C; VA may provide needed hospital, out-patient, and nursing home care on a space available basis if the veteran agrees to make a copayment equal to the deductible under Medicare.

*Estimates by group are not exclusive, e.g., there is double counting. The numbers are based on a variety of sources-- survey data, census reports, VSO data-- and are intended to provide a sense of the magnitude of the pool of veterans in each group rather than an accurate planning estimate.

Source: Paralyzed Veterans of America. Veterans Health Care: Actions and Interactions. A Study of Four Veterans Administration Medical Districts. (Paralyzed Veterans of America: Washington, D.C., January, 1987). p. 162

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Every VAMC has a Prosthetics Activity, which includes various services related to selection and procurement of appliances.

> "[Prosthetics is] a broad term used to identify the total concept of the fields of prosthetics, orthotics, sensory aids, aids for the blind, medical equipment, medical supplies, components, and repairs. This term may be used to refer to prosthetic administration, research, education and training, appliances, services, and any other related aspects of the total program."[7]

However, given the fact that every VAMC executes its own budget, the level of resources commited to Prosthetics Activity varies considerably among the Centers. Only 82 VAMCs, for example, have full Prosthetic and Sensory Aids Services. In the remaining Centers, the Prosthetics Activity is handled by Prosthetic Clerks (see Procurement Phase section, below).

Some VAMCs have shifted funds from Prosthetics Activities to other services, resulting in tighter prosthetics budgets and delays and denials in payment for prosthetic appliances. In fact, nationally, the VA has a $10 million shortfall in its prosthetics accounts as of the start of Fiscal Year 1989 (October 1, 1988). The first quarter funds for FY 1989 already are commited for appliances prescribed during FY 1988. These budgetary realities must be kept in mind when understanding how the VA system works. Even in well structured organizations, payment is contingent upon availability of resources. When funds are tight, delays and denials increase.

It should be noted that the term Prosthetic Appliance is defined very broadly by the VA. It is a "generic term used in referring to all prosthetic appliances, aids for the blind, and medical equipment."[8] Furthermore, the term Major Appliance refers to:

> "all aids for the blind, all prosthetic appliances which must be custom-made, all hearing aids and items of medical equipment which cost over $1,000. Artificial limbs, braces (excluding corsets and belts), an appliance used in cosmetic facial or body restorations, orthopedic shoes, wheelchairs, hospital beds, patient lifts, etc., are to be regarded as major appliances."[9]

Therefore, prosthetic appliances can be either customized devices or commercial products. The term prosthetic appliance shall be used interchangeably with assistive device throughout the remainder of this paper.

There are three basic phases in the overall payment process. The first step is to gain access to the VAMC in one's geographical area. As noted earlier, access to VAMC inpatient and outpatient medical services is contingent upon one's eligibility or entitlement to those services (see Figure 2).

The second phase of the payment process is initiated once eligibility and entitlement are determined, opening access to VAMC services. The second phase involves assessment of a veteran's needs, and identification and prescription of services and prosthetic appliances to address those needs.

The third phase is procurement and delivery of prosthetic appliances that have been prescribed in the assessment phase. Procurement cannot be initiated without a signed prescription by an attending physician.

Client Assessment/Appliance Prescription

Every VAMC has personnel responsible for evaluating inpatient and outpatient clients, and determining products and services needed. However, Centers do not have identical capabilities where prescription of assistive devices is concerned. Rather, the VA designates various VAMCs as prosthetic specialty centers. Other VAMCs rely upon these specialty centers for regional support and as referral sites for more specialized cases.

Eighty-two VAMCs have full Prosthetic and Sensory Aids Services and, as such, are the designated specialty centers. These Services form the backbone of the VA's system for addressing the assistive devices needs of veterans. Each Service is headed by a Prosthetic Chief and staffed with a cadre of trained Prosthetic Representatives and purchasing agents. These individuals perform a pivotal role in procurement of prosthetic appliances (see Procurement Phase section, below). Many also are involved in the assessment phase.

The ultimate responsibility for assessing a veteran's medical needs and determining what is most appropriate to address those needs resides with the attending physician. It is the physician's signature on a prescription that authorizes VA provision of needed appliances and services. Of course, client assessments are frequently conducted within a team framework, with input from other clinical personnel. A variety of clinical assessment teams are affiliated with the Prosthetic and Sensory Aids Service at their respective VAMCs, and work closely with Prosthetic personnel. In many, but not all, cases, a Prosthetic Representative, typically the Prosthetic Chief, serves on a particular clinical team and is involved in assessment and identification of needed appliances. This facilitates smooth transition to the procurement phase following physician prescription.

In the 90 VAMCs that do not have a Prosthetic and Sensory Aids Service, only very routine prosthetic needs are handled. At these centers, general medical staff are responsible for prescribing needed prosthetic appliances and in referring more specialized cases to a nearby VAMC that has a Prosthetic Service. The prescribed equipment is procured by a Prosthetic Clerk, "an administrative or clerical employee...designated, on a full- or part-time basis, to handle administrative matters pertinent to requesting and/or ordering through supply channels, the repair and issuance of appliances."[10] The following section on the procurement phase describes the roles of Prosthetic Clerk, Prosthetic Representative, and the Prosthetic Service in more detail.

It must be emphasized that the preceding paragraphs describe only the general prosthetic assessment decisionmaking structure. In reality, there is much variation among VAMCs. Since each VAMC is fairly autonomous in determining its resource allocation mix, the priority given to meeting prosthetic needs varies considerably among Centers. In addition, sometimes prosthetic clinical assessment teams are used not only to assess veteran needs, but also to control VA expenditures on prosthetic appliances. The composition of those teams varies, depending upon their purpose. This variability underscores the importance of identifying who the pertinent decisionmakers are in one's locality. It also indicates the value of working with VSO service officers who can help advocate for needed prosthetic benefits.

Appliance Procurement and Delivery

The prescription is the trigger mechanism that initiates the final phase of the payment process where the prescribed equipment is procured and delivered to the veteran. Usually, however, a prescription does not specify brand of equipment, but rather describes an individual's prosthetic needs in fairly generic terms. It is the responsibility of Prosthetic personnel at the prescribing VAMC to determine the most appropriate and cost-effective appliance for the veteran, given the general prescription.

As mentioned earlier, 90 of the 172 VAMCs rely solely upon Prosthetic Clerks -- administrative or clerical staff who handle the paperwork necessary for ordering the issuance and repair of equipment through VA supply channels. Prosthetic Clerks are knowledgeable about the VA Acquisition and Materiel Management system, and somewhat familiar with the types of equipment the VA has on contract, but they do not have the expertise for handling special prescriptions. Those are the responsibility of Prosthetic Representatives, located in Prosthetic and Sensory Aids Services in the remaining 82 VAMCs.

Prosthetic Representatives are trained by the Central Office of the VA Prosthetics and Sensory Aids Service in Washington, D.C. It is a long-standing policy of the VA to hire individuals as Prosthetic Representatives who are at least 30% disabled and who are actual appliance users. Some college level education usually is desired, but can be waived if experience and other factors indicate a strong candidate. The Director of the Prosthetic and Sensory Aids Service at the VA's Central Office also emphasizes that each candidate needs to have learned to be psychologically comfortable with his/her own disability in order to be considered for a position as a Prosthetic Representative, since a great deal of interaction with other disabled veterans, and often peer counseling in appropriate use of the equipment, is required for the job.[11]

Prosthetic Representatives are the linchpins of the VA payment system. In many of the VAMCs, Chiefs of the VAMC Prosthetic and Sensory Aids Services, who are Prosthetic Representatives by background and Chiefs by experience, serve as the coordinators of the various prosthetic clinical teams. Prosthetic Representatives, in general, spend a great deal of time counseling veterans and serving as resources for physicians and other clinical staff. As such, they are

often involved in the assessment phase. In addition, it is the Prosthetic Representatives' responsibility to procure the appliances that are prescribed. They also are responsible for quality control of the appliances purchased, and for overseeing the equipment's delivery and use.

Depending upon the equipment needed, there are four general scenarios for VA procurement.

Procurement "On Contract". Under the first scenario, the equipment is a type for which the VA has prenegotiated a contract with the manufacturer/contractor. The VA has national contracts with product manufacturers/contractors where the volume of need for a particular product is large enough to warrant such an arrangement. Similarly, every VAMC can enter into local beneficiary service contracts. Again, the volume of need is what determines whether a given product or service is "on contract."

When a product is on contract, the Prosthetic Representative (or Prosthetic Clerk) simply fills out a purchase order, indicating the product's contract number, and sends it to the Office of Acquisition and Materiel Management at their VAMC. Since it is on contract, the price of the product has been predetermined. In many cases, the product will be in stock at the Center or at one of several central supply depots located around the country. This facilitates prompt acquisition and delivery. The VA also has a Prosthetic Distribution Center (PDC) in Denver, which is part of the line and staff of the Office of Acquisition and Materiel Management, but which is dedicated to the VA's Prosthetic and Sensory Aids Service.[12] The PDC serves as a central repository for two high volume appliances: hearing aids/batteries and stump socks. The PDC also handles central coordination of repair services for hearing aids.

Procurement "Off Contract". Under the second scenario, the equipment needed is something that is "off contract," that is, there is no preexisting contract for purchase of that particular product. Off contract products include many of the more customized products, or products that are service-intensive, and where the amount of service depends upon the needs of the veteran. In such cases, it is either infeasible or uneconomical to prenegotiate contracts with manufacturers/contractors.

The VA has fairly flexible guidelines for purchasing prosthetic appliances off contract. They rely heavily upon the expertise and judgement of the Prosthetic Representative handling each case. Typically, Prosthetic Representatives are very familiar with the vendors in their area. Over time, they develop a sense of the reputation of each vendor, the quality of the products offered, and the level of service commitment. They consider the needs of the veteran, the price of the various products, the quality of the provider, and their budget when deciding what equipment to purchase.

In some cases, the Prosthetic Representative will institute a bidding process prior to procurement. In such cases, personnel in the VAMC's Office of Acquisition and Materiel Management will handle the logistics of the bidding

process. Unlike other third party payment systems, the VA does not require that the Prosthetics Service accept the lowest bid. There is some flexibility and latitude given to the Prosthetic Representatives to consider other factors in addition to cost in the final decision.

In situations where a product is off contract and its price exceeds $1,000, the Prosthetic Representative must submit a request for approval (Form 2641) to the Central Office of the Prosthetic and Sensory Aids Service, in Washington. According to Central Office staff, approximately 10 to 20 of these requests are made, nationally, per week.[13] As with the Prosthetic Services at each VAMC, the Central Office has personnel who are very familiar with disability, technology, and with reasonable price ranges for available products. They use this expertise to support field personnel with the higher cost decisions. The Central Office is required to respond with a decision within five to seven working days. Verbal approval can be given by telephone to expedite the decisionmaking process, but the necessary paperwork must then be forwarded by the Prosthetic Representative.

It should be pointed out that the Prosthetic and Sensory Aids Service is in a unique position. When the U.S. Congress authorized the establishment of the VA, it specified that: "The Administrator may procure prosthetic appliances and necessary services required in the fitting, supplying and training and use of prosthetic appliances by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper, without regard to any other provision of the law."[14] [Emphasis added.] Such an exemption does not apply to procurement of any other types of products and services by the VA, only those purchased for use by veterans.

Customization of Appliances. Under the third scenario, equipment is fabricated and delivered by the VA. The VA has Orthotic Laboratories and Restoration Clinics in selected VAMCs around the country. There are 55 of the former and 11 of the latter. These laboratories are equipped for customization of certain types of appliances where an off-the-shelf product does not meet an individual's needs. Such cases are referred to the appropriate program by the Prosthetic Representative handling the prescription.

Orthotic Laboratories design, fabricate, and custom fit braces, orthopedic shoes, and other special devices needed for the treatment of patients at the VAMC. They also repair artificial limbs, braces, wheelchairs, and other appliances for veterans. As a lower priority, they repair equipment that is the property of the VAMC. Restoration Clinics have similar responsibilities, but are equipped for customization and repair of artificial eyes, facial and body restorations, cosmetic partial hands, ear inserts, etc.[15]

Loan of Appliances. For major appliances with purchase prices of $4,000 or more, VAMCs have to loan those to veterans rather than issue them. Such products include "Kurzweil Reading Machines, Versa Brailles, Clinitron Beds, respirators, computers, stair glides, low effort steering/braking systems, etc."[16] Appliances that are only needed temporarily also can be provided on a loan basis.

Loaned equipment is handled a little differently administratively. The Prosthetic Representative typically will keep tighter tabs on the whereabouts and condition of the equipment, including follow-up at 6, 12, and 24 month intervals. In some cases, where a veteran with loaned equipment loses eligibility, the appliance can be "permanently issued" to the veteran, in order to avoid the problem of paying for repair of equipment for an ineligible individual. In addition, the Prosthetic Representative often must deal with reclamation of the appliance once it is no longer needed. "Prior to initiating recovery action on any item, the Chief, Prosthetic Service will make a comparison of the cost of recovery and the residual value of an item to determine the economic feasibility of recovery."[17]

Under any of these four scenarios, if the Prosthetic Representative handling a particular case has questions regarding the authorizing prescription, most VAMCs have Major Medical Equipment Committees established for support. Similar to the various clinical teams, Major Medical Equipment Committees are chaired by a physician, and many are coordinated by the Chief of the VAMC Prosthetic and Sensory Aids Service. These committees:

> "(1) Review requests for major items, e.g., environmental control systems, motorized wheelchairs, hospital beds, patient lifts, repiratory equipment, etc., as well as major items of automobile adaptive equipment, i.e., van modifications, sensitized brakes and steering systems, or items of questionable need.
>
> (2) Review questionable prescriptions...to ensure that the requested items are necessary for the treatment or rehabilitation of the veteran.
>
> (3) Arrange for home visits necessary to assess the available space in the veteran's home, power capability, ingress or egress to the home and/or bathroom facilities, the need for the requested equipment, etc.
>
> (4) Finalize prescriptions for the needed equipment.
>
> (5) Arrange for training of the veteran and/or family members in the use and operation of the equipment."[18]

The composition of a committee varies with the type of equipment needs being reviewed, but generally includes other medical specialists, allied health professionals, and a biomedical engineer, when required. In some VAMCs, Major Medical Equipment Committees also serve as mechanisms for control of prosthetic expenses.

The overall procurement phase does not end with acquisition of the needed appliances. Instead, Prosthetic Representatives also are responsible for inspection of the equipment, overseeing its delivery and installation at the veteran's home, and follow-up to see that it is being used properly and safely.

Eligibility and Payment Over Time

There are some wrinkles in the payment process when eligibility and time variables are introduced. As explained earlier, in order to receive equipment for the first time, a veteran must establish entitlement and eligibility as an inpatient or outpatient at a VAMC and have a physician prescribe the equipment. Gaining admittance to a VAMC depends upon a veteran's eligibility status. Category A veterans have highest priority to VAMC medical services. Service connected veterans within Category A are entitled to any VA medical services that are needed. Category B and C veterans can only receive medical services when resources are available. Therefore, access to payment for assistive devices depends largely upon eligibility for VAMC care.

Over time, Category A, service connected veterans, have "continuing eligibility" because they are entitled to VA services. That is, they do not have to be readmitted to a VAMC in order to reestablish eligibility for medical services. The physician's prescription that authorizes purchase of the first piece of equipment can be written in such a way as to indicate ongoing need for replacement equipment. Therefore, it is possible for service connected veterans to replace their equipment simply by contacting their Prosthetic Representative. Of course, depending upon the reason for replacement, the Prosthetic Representative can ask that the veteran visit a clinical team to determine if changes in physical or functional status require a different type of appliance. There may be cases where a new assessment is needed. Again, that decision is left to the discretion of the Prosthetic Representative.

Special Payment Programs

The VA has two specialty programs that handle payment for automobile adaptive equipment and home modifications, respectively. The VA distinguishes appliances and services provided under these two programs as "benefits," which are treated differently than prosthetic "services." Rather than being supported through the annual Prosthetic Service budget, each benefit program is funded separately, through special appropriations. Funds for support of the Housing Improvement and Structural Alterations (HISA) program are provided through each VAMC's Medical Administration Services. The Automobile Adaptive Equipment program is funded by the Central Office, through the VA Regional Office (VARO) Departments of Veterans Benefits. Although funds for each program originate at the Central Office level, use of the funds is authorized on a case basis at the VAMC level.

For automobile/van adaptive equipment, the veteran submits an application to the VAMC Prosthetic Service, and a Prosthetic Representative is responsible for coordinating the case. A physician's prescription is required to authorize equipment, attesting that the veteran's physical condition and functional

abilities permit safe and effective driving. For very involved cases, the prescription is often developed by a team comprised of the physician, Chief of the Prosthetic Service, and the driver training instructor. Thirty-nine VAMCs have formal Driver Training Centers, with personnel who help in the adaptive equipment assessment phase. Again, once the equipment is authorized, it is paid for out of the Central Office's Automobile Adaptive Equipment Benefits fund.

Given the cost, sophistication, and safety factors intrinsic to vehicle adaptive equipment, the VA has developed a considerable set of national policies related to procurement of those products. Appliances and vehicles must conform either to VA standards for safety and quality, or to standards promulgated by other appropriate federal agencies. The Prosthetic Representative has more responsibilities including review of applications, coordination of assessment, and overseeing installation and modification services, many of which are provided through local vendors.

For housing adaptations, the veteran submits an application to the Home Improvement and Structural Alterations Committee (HISA) at his/her Medical Center. Every VAMC has a HISA Committee, usually comprised of the Chief of the Medical Administration Service, Chief of the Prosthetics Service, physicians, and other station staff deemed appropriate. The Committee is the decisionmaking body for disbursement of HISA funds. "HISA benefits may include, but are not limited to construction of permanent wheelchair ramps, widening doorways for wheelchair access, lowering kitchen cabinets or counters for use by a wheelchair patient, improve otherwise inaccessible entrance paths and driveways, etc."[19]

As with automobile adaptations, the VA adheres strictly to existing standards for adaptive equipment and structural adaptations designed to make housing more accessible. Many HISA Committees rely upon engineering personnel to review applications from a technical and safety standpoint.

For more detailed discussion of the adaptive equipment or HISA benefits, readers are encouraged to contact Prosthetic Representatives or VSO service offices in their area.

IV. Policy Level Decisionmaking

Although the budget of each Prosthetic Service is determined locally, and reflects the policy priorities of its VAMC, prosthetic policy also is set at a national level through the Prosthetic and Sensory Aids Service, which is a service of the Department of Medicine and Surgery at the Central Office level (see Figure 1). The Central Office service provides support to the staff and line Prosthetic Activities around the country. That support is provided in a number of ways, including assisting VAMCs in the recruitment and training of prosthetic personnel, preparing and maintaining a system of manuals, circulars, bulletins, and other informational materials, coordinating a system of prosthetic program review and evaluation, including periodic site visits to

field facilities, development of reporting systems, collection and analysis of data related to program operations, workloads, space allocation and staffing at field facilities, and etc.[20] Overall, the Central Office is responsible for developing and recommending short-term and long-term "policies, plans, operational directives and professional standards pertaining to a unified and comprehensive VA prosthetic program, both inpatient and ambulatory, and coordinates activities with other Central Office elements."[21]

The Central Office also is involved with policies related to what appliances are purchased by the VA. At the case level, as noted earlier, Central Office personnel must approve procurement of prosthetic appliances that are off contract and cost over $1,000, or that are new and emerging technology and therefore not yet approved by the VA. At a policy level, the Central Office has a pivotal role in determining what new products are to be approved, and in coordinating development of technical specifications and standards for assistive devices that are purchased by the VA in large volume.

Getting a Product Approved

Every brand of commercial product that the VA purchases must first be "approved" by the VA. Approval only needs to be established once for each product, after which time the VA can purchase that brand of product as needed. The process for getting approval begins with application to the VA's Prosthetic Technical Evaluation Committee. Application packets are available through the Prosthetic and Sensory Aids Service in Washington, D.C. An application generally calls for submission of catalogs, price lists, and other marketing and technical information a company might make available to facilitate the approval process.

The Prosthetic Technical Evaluation Committee is chaired by the Director of the Prosthetic and Sensory Aids Service, Central Office, and includes the VA's General Counsel and Directors of other Central Office Services.

There are two prerequisites for the process of approving a new appliance: it must be commercially available and it must demonstrate compliance with FDA criteria for medical devices. With these two prerequisites satisfied, the Committee considers the application.

In some cases, the Committee may be able to make a determination merely upon review of the application, if the product is fairly simple and poses no safety concerns. In other cases, clinical and technical testing information may be required. The Committee may accept data already generated by the appplicant. If not, either the company will be asked to have the product tested by an independent laboratory, or the VA may test the product itself. In the latter case, it is referred to the VA's Prosthetic Assessment and Information Center (PAIC) in Baltimore. PAIC will develop test protocols, both for clinical trials in VA field facilities and for bench testing in their laboratory. They will manage the test procedures, analyze resultant data, and make recommendations to the Prosthetic Technical Evaluation Committee, which makes a final decision whether to approve the product based upon those evaluatory data.

It must be emphasized that, although approving a product is a necessary prerequisite to VA procurement, it does not guarantee that the VA will prescribe that product. As previous sections suggest, the VA is a very decentralized decisionmaking system. The supplier still must "sell" the product to the various VA decisionmakers, who must recognize the value of the product for given client needs.

Development of Technical Specifications/Standards

The VA's Office of Acquisition and Materiel Management maintains an extensive set of technical specifications to guide procurement decisionmaking in the field. A number of specifications have been developed for prosthetics. The Prosthetic and Sensory Aids Service collaborates with the Office of Acquisition and Materiel Management for those types of appliances that fall within the prosthetics area.

For the past six or seven years, there has been a broad based effort to develop voluntary wheelchair standards for adoption by both the American National Standards Institute (ANSI) and the International Standards Organization (ISO). Representatives of the VA's Prosthetic and Sensory Aids Service have been involved in that process since its inception, and the VA has been a major financial support for the effort. As the standards near completion, the VA is working to incorporate those as their internal standards for wheelchairs in order to improve future procurement of such appliances.

V. Summary Discussion

The VA system of payment for assistive devices is unique among major public and private third party payment programs. It covers a broader range of types of major appliances, from products such as artificial limbs, wheelchairs, and patient lifts that are traditionally considered medical equipment, to hearing aids, eyeglasses, aids for the blind, automobile/van modifications, and home access equipment that typically fall outside the medical system.

The VA has invested heavily in qualified personnel and in an organizational structure that is conducive to making decisions regarding the type of appliance most appropriate in a given case. Such a structure allows flexibility at the case level to procure products that are not necessarily low cost, but which are cost-effective over a longer time frame. In essence, the VA operates a case management system for procurement of major appliances for its beneficiaries. In addition, the VA Prosthetic and Sensory Aids Service could be described as a second party payment system, rather than a third party system, because the professionals with procurement responsibilities typically are also involved in the initial clinical decision.

Of course, like any other organization, the VA has limited resources. It is not in a position to meet all the prosthetic needs of every veteran. Each VAMC makes difficult resource allocation decisions through its annual budgeting process, and not every Center places equal emphasis on its Prosthetics Activity. That is reflected in the variation among Centers in their budgeting and staffing levels for prosthetics.

The VA eligibility continuum also reflects the VA's desire to maximize use of their resources for those deemed most deserving. Eligibility ranges from Category A, service connected veterans who are entitled to all VA medical benefits and unlimited prosthetics, to Category C veterans who have access to VA medical and prosthetic resources as available, and who are expected to share in the costs.

At a policy level, the VA is unique as to the extent to which it invests in support of its field personnel through development of product standards and technical specifications, product evaluation, on-going training of prosthetics personnel, program evaluation, and other support.

For persons seeking payment through the VA for assistive devices, this paper indicates some useful paths. Veterans, and family members of veterans, who require assistive devices regularly should consider getting to know some of the Prosthetic Representatives/Prosthetic Clerks in their area. These individuals are focal points for appliance selection and procurement in the VA. In addition, the local service offices of the various national veterans organizations are highly recommended as contact points for additional information and assistance. Service officers in these locations are trained about the VA system, and dedicated to serving as advocates for veterans within that system. In many instances, these service officers are very familiar with decisionmaking personnel at the VAMCs in their particular area, including those in the Prosthetic and Sensory Aids Service. Lists of service offices for most major veteran service organizations (VSOs) can be found either through one's local VA office/medical center or by contacting the VSO's national office.

For product developers, manaufacturers, and contractors, this paper indicates that the VA does have a process for evaluating and approving new products. Yet, it emphasizes that getting a new product approved, while necessary, does not eliminate the need to sell the product. The fact remains that the VA is a fairly decentralized decisionmaking system. Products will be procured by Prosthetics Activity personnel at the field level when they are needed by an eligible veteran for a purpose that is consistent with overall VA policies, and when the budget allows. As with veterans and their families, it behooves product vendors to get to know Prosthetic Representatives and other local level decisionmakers. For vendors, this is an essential part of one's business, in order to communicate the value of one's products and establish a reputation for quality service support. When such value can be demonstrated, the VA system is flexible enough to respond.

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